

§ 29b.6

15 CFR Subtitle A (1-1-98 Edition)

the option of having an audit of their institution prepared in accordance with the provisions of this part or having an audit made of the one program. For prior or subsequent years, when an institution has only loan guarantees or outstanding loans that were made previously, the institution may be required to conduct audits for those programs, in accordance with regulations of the Federal agencies providing those guarantees or loans.

(2) Nonprofit institutions that receive at least \$25,000 but less than \$100,000 a year in Federal awards shall have an audit made in accordance with this part or have an audit made of each Federal award, in accordance with Federal laws and regulations governing the programs in which they participate.

(3) Nonprofit institutions receiving less than \$25,000 a year in Federal awards are exempt from Federal audit requirements, but records must be available for review by appropriate officials of the Federal grantor agency or subcontracting entity.

(b) Oversight by federal agencies.

(1) To each of the larger nonprofit institutions, OMB will assign a Federal agency as the cognizant agency for monitoring audits and ensuring the resolution of audit findings that affect the programs of more than one agency.

(2) Smaller institutions not assigned a cognizant agency will be under the general oversight of the Federal agency that provides them with the most funds.

(3) Assignments to Federal cognizant agencies for carrying out responsibilities in this section are set forth under a supplement to OMB Circular A-133.

(4) Federal Government-owned, contractor-operated facilities at institutions or laboratories operated primarily for the Government are not included in the cognizance assignments. These will remain the responsibility of the contracting agencies. The listed assignments cover all of the functions in this part unless otherwise indicated. OMB coordinates changes in agency assignments.

**§ 29b.6 Cognizant agency responsibilities.**

The cognizant agency shall:

(a) Ensure that audits are made and reports are received in a timely manner and in accordance with the requirements of this part;

(b) Provide technical advice and liaison to institutions and independent auditors;

(c) Obtain or make quality control reviews of selected audits made by non-Federal audit organizations, and provide the results, when appropriate, to other interested organizations;

(d) Promptly inform other affected Federal agencies and appropriate Federal law enforcement officials of any reported illegal acts or irregularities. A cognizant agency should also inform State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction;

(e) Advise the recipient of audits that have been found not to have met the requirements set forth in this part. In such instances, the recipient will work with the auditor to take corrective action. If corrective action is not taken, the cognizant agency shall notify the recipient and Federal awarding agencies of the facts and make recommendations for follow-up action. Major inadequacies or repetitive substandard performance of independent auditors shall be referred to appropriate professional bodies for disciplinary action;

(f) Coordinate, to the extent practicable, audits or reviews made for Federal agencies that are in addition to the audits made pursuant to this part, so that the additional audits or reviews build upon audits performed in accordance with this part;

(g) Ensure the resolution of audit findings that affect the programs of more than one agency;

(h) Seek the views of other interested agencies before completing a coordinated program; and

(i) Help coordinate the audit work and reporting responsibilities among independent public accountants, State auditors, and both resident and non-resident Federal auditors to achieve the most cost-effective audit.